



Chanute

a TRADITION of INNOVATION

THE CITY OF CHANUTE, KANSAS

June 19, 2014

The City of Chanute, Kansas is in Washington DC to bolster support and provide additional information in support of its Expression of Interest to the FCC to be the recipient of Connect America Funds to further its deployment of municipally-owned and operated ultra-high-speed broadband services in rural America.

Key Points:

1. The City of Chanute, as a "Not-for-profit" entity, is keenly interested in economic development, job growth, and support for public education, health, and safety.
2. Chanute submitted a timely Expression of Interest to the FCC and has not previously received NTIA nor BTOP grant funding.
3. The City of Chanute has had successful experience as an Internet Service Provider since 2005 and currently delivers gigabit services to Community Anchor Institutions (Schools, Public Libraries, Community College, Hospital and other health care facilities, 911 Dispatch Center, County Sheriff's department, local police and fire departments, ambulance company, municipal utilities, governmental departments) and key community business partners in two communities.
4. Chanute desires to build upon its success and expand its existing fiber network to provide gigabit services to potentially every premise within its municipal electric department's service area.
5. Chanute will be deploying an Advanced Metering Infrastructure (AMI) that is tightly coupled with its proposed fiber network to maximize performance of the AMI systems and efficiently utilize the available bandwidth on its fiber network.
6. Chanute has a well defined business plan, completed final design for a portion of its planned network expansion, completed a public solicitation (RFP process) for equipment and integration services, and is "shovel ready".
7. Business plans indicate only a one-time cash injection is necessary to establish self-sustaining broadband networks.
8. Chanute is looking at partnerships to expand the delivery of broadband services to multiple rural communities connected to an interconnecting fiber trunk.
9. The public-private relationships developing in this project can be expanded to other neighboring communities in our region and elsewhere across the country.
10. Funding Chanute's project is an efficient use of federal funds to directly benefit rural broadband consumers rather than increase profits for investors seeking the highest possible return on their investments.

Entire Community Benefits from Fiber Network Expansion

The City of Chanute has explored ways to maximize the benefits of its municipal fiber network to the community. Significant benefits are achievable through expansion of the existing network to a full fiber to the premise network in Chanute. The local municipal utilities; electricity, natural gas, and water, and their utility customers will also benefit from the full fiber deployment. Chanute plans to upgrade its utility meters to an

advanced metering infrastructure that will automate meter data collection and provide customers with more timely access to consumption information. This information will improve utility efficiency and allow customers to make better informed consumption decisions.

Each of the Chanute Public School District facilities are interconnected through the community's existing ultra-high-speed fiber network providing world class educational opportunities to students while on school grounds. 17% of the students in Chanute have no "at home" connectivity. This creates an educational disadvantage for these students that are already forced to deal with the other disadvantages of poverty. To resolve this class division and disadvantage for these students, Chanute plans to develop a "Smart City" portal through which it will offer free access to the private networks of the school district, public library, local community college, and all online city services. Access to the public Internet would not be free, but the free community intranet access for all of the community residents will substantially reduce these barriers to participation.

Chanute currently provides free gigabit fiber connectivity to the Chanute Public Library and free public access Wi Fi in the community's parks and public green spaces, and in many public buildings.

The Neosho County Community College (NCCC) is using Chanute's fiber network to become the fastest growing community college in the state and fifth fastest growing in the nation.

The Neosho Memorial Regional Medical Center utilizes Chanute's ultra-high-speed broadband fiber network to provide telemedicine services and extend access to specialized healthcare providers located elsewhere in the country. Chanute will continue to work with the Neosho Memorial Regional Medical Center and other medical facilities and health care providers to provide online network access to community health care resources through home healthcare telemedicine. These online telemedicine services of the City's network will also be made accessible to Chanute's residents without additional cost.

Chanute is a community within Project 17. Project 17 is a regional economic development initiative in Kansas that encompasses the 17 economically depressed counties that comprise Southeast Kansas. There are several communities within this region that could also benefit greatly from low-cost access to ultra-high-speed broadband that could be made available by Chanute and others to leverage the resources, assets and experience in Chanute. Chanute's primary interests are to support the broadband needs of its businesses and residents and those communities where it already has an ongoing business relationship.

Chanute's Project Is "Shovel Ready"

Chanute desires to establish price points for fiber-based, gigabit broadband service in the community that will help spur job creation, economic development and growth in the community. Chanute has the proven ability to deliver highly reliable Internet access services. Final engineering design and equipment selection through a public solicitation process has been completed, making significant portions of Chanute's project ready for immediate deployment.

Chanute requests a one-time injection of funds to support its initial fiber to the premise deployment. Chanute's conservative business plan demonstrates that sustaining revenues would be received from customers purchasing services from the City and that no additional, external funding from the FCC would be required for economic viability of its network.

The City of Chanute has submitted an expression of interest in obtaining funding from the FCC to further develop its ultra-high-speed fiber network. It however, recognizes the need for business partners to deliver high quality video and telephone services in the community. Chanute supports the receipt of FCC grant funding to own, construct and operate fiber interfaces between other networks and the Chanute network.

Chanute has discussed several ways that entities that operate broadband fiber networks in rural areas can work jointly for the benefit of not only their own organizations, but also portions of the unserved and underserved areas in Southeastern Kansas, Northeastern Oklahoma and Southwestern Missouri. We support the FCC allocation of Connect America Funds to benefit our neighbors and consumers of these services.

Together, Chanute and its partners could deliver high quality, broadband internet, voice and video in Chanute and other portions of southeastern Kansas. Business relationships could deliver high quality services into the unserved and underserved areas of southeastern Kansas.

Chanute would greatly appreciate the FCC's support for the allocation of the Connect America Funds to these high value projects and the delivery of ultra-high-speed broadband services in rural Kansas, Missouri, and Oklahoma.